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January 31, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Dominion Energy South Carolina, Inc.  
Annual Update on Demand Side Management Programs and Petition to  
Update Rider  
Docket No. 2020-\_\_\_-E

Dear Ms. Boyd:

On behalf of Dominion Energy South Carolina, Inc. ("DESC"), please find enclosed for filing one (1) copy of DESC's Annual Update on Demand Side Management Programs and Petition to Update Rider ("Petition"). As part of its Petition, DESC is requesting that the DSM Rider be effective for bills rendered on and after the first billing cycle of May 2020. Also enclosed for filing is a Proposed Notice of Filing.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff with a copy of the enclosed documents.

If you have any questions, please advise.

Very truly yours,

A handwritten signature in blue ink that reads 'Matthew W. Gissendanner'.

Matthew W. Gissendanner

MWG/kms  
Enclosures

cc: Dawn Hipp  
Jeffrey M. Nelson, Esquire  
Carri Grube Lybarker, Esquire  
L. Becky Dover, Esquire  
(all via electronic and U.S. First Class Mail w/enclosures)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2020-\_\_\_-E**

IN RE:

Dominion Energy South Carolina, Inc.	)	
Annual Update on Demand Side	)	<b><u>ANNUAL UPDATE ON DSM</u></b>
Management Programs and Petition to	)	<b><u>PROGRAMS AND PETITION TO</u></b>
Update Rider. *This filing includes a	)	<b><u>UPDATE RIDER</u></b>
request for a rate increase.*	)	
	)	

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**Introduction**

Pursuant to S.C. Code Ann. § 58-37-20 (2015) and S.C. Code Ann. Regs. 103-819 and 103-825 (2012), and in compliance with Public Service Commission of South Carolina (“Commission”) Order No. 2010-472, issued in Docket No. 2009-261-E, as affirmed and modified by Order No. 2013-826 issued in Docket No. 2013-208-E and Order No. 2019-880 issued in Docket No. 2019-239-E, Dominion Energy South Carolina, Inc. (“DESC” or “Company”) hereby (i) submits to the Commission for review information concerning the current status of DESC’s demand reduction and energy efficiency (“Demand Side Management” or “DSM”) programs; and (ii) petitions the Commission for authorization to update its “Rider to Retail Rates – Demand Side Management Component” (“DSM Rider”) to provide for the recovery of DESC’s costs and net lost revenues associated with its DSM programs along with the Commission-

approved shared savings incentive for investing in such programs, effective for bills rendered on and after the first billing cycle of May 2020.

In support of this petition, DESC would respectfully show to the Commission the following key facts and would request and petition the Commission for the following relief:

1. This matter comes before the Commission pursuant to S.C. Code Ann. § 58-37-20 and by Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880. In Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880, the Commission approved DESC's suite of DSM programs and authorized the Company to continue its DSM Rider. In accordance with § 58-37-20 and as described more fully below, the DSM Rider is designed to allow DESC to recover the costs and net lost revenues associated with its DSM programs along with a shared savings incentive.

2. In Order No. 2019-880, the Commission also ordered DESC to continue its practice established under Order No. 2010-472 and continued under Order No. 2013-826 of submitting an annual filing with the Commission updating the Company's DSM Rider each January through the life of the DSM programs.

3. In accordance with Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880, the annual filing must set forth the programs, net lost revenues, program costs, shared savings incentive, net program benefits, and other items as appropriate. Moreover, the annual filing must encompass the twelve-month period beginning December 1 and ending November 30.

4. For this annual filing, the prior review period is December 1, 2017, to November 30, 2018 ("Program Year 8"); the current review period is December 1, 2018, to November 30, 2019 ("Program Year 9"); and the forecasted period is December 1, 2019, to November 30, 2020 ("Program Year 10").

#### **Update on DSM Programs**

5. In Order No. 2013-826, the Commission approved a suite of eleven (11) DSM programs for development and implementation. By Order No. 2014-381, the Commission approved the elimination of two programs: Energy Information Display and Home Performance with ENERGY STAR, which were both no longer cost effective. In December 2015, based on the recommendation of its third-party Evaluation, Measurement, and Verification ("EM&V") provider, DESC also discontinued the ENERGY STAR New Homes program. In November 2015, the Appliance Recycling program was suspended; the program was relaunched on June 28, 2016, with a new implementation contractor. As such, at the end of Program Year 8, DESC was offering its customers eight (8) DSM Programs.

6. In Order No. 2019-880, the Commission approved a suite of ten modified, expanded, and new DSM programs for development and implementation. Accordingly, today DESC is in the process of implementing the ten (10) recently approved DSM Programs for its customers.

7. Exhibit 1 sets out the most significant aspects of program development and implementation approach for each of the approved programs, including next

steps and modifications to the programs, as well as other pertinent information that occurred in Program Year 9 or will occur in Program Year 10.

### **Evaluation, Measurement, and Verification**

8. Pursuant to Order No. 2010-472 and Order No. 2013-826, EM&V results are due no later than six months after the end of a program year; this requirement continues under Order No. 2019-880.

9. On May 29, 2019, in Docket No. 2013-208-E, DESC filed with the Commission its EM&V Report for Program Year 8 ("Program Year 8 EM&V Report"). In summary, DESC's DSM programs for Program Year 8 achieved net energy savings of 55,843 megawatt hours ("MWH") and net demand savings of 11.73 megawatts. Attached hereto as Exhibit 2 is a table summarizing the DSM portfolio savings levels for Program Year 8.

10. The Program Year 8 EM&V Report serves as the basis for the trued-up amounts reflected in DESC's net lost revenue amounts and shared savings incentive amounts set forth herein.

11. DESC anticipates that its EM&V report for Program Year 9 will be completed in May 2020. Information concerning the impact of DSM programs on energy savings and peak demand on DESC's system during Program Year 9 will be included in that EM&V Report.

### DSM Costs

12. Exhibit 3 shows the regulatory asset account balance of allowable DSM costs as of November 30, 2019; that amount is \$72,065,725. Pursuant to Order No. 2019-880, these costs are to be amortized over three years. Through November 30, 2019, DESC, pursuant to Order No. 2015-307, accrued carrying costs on the unrecovered balances using the rate of interest as of the first day of each month during the applicable period for the 10-year U.S. Government Treasury Note, as reported by the *Wall Street Journal*, either in its print edition or on its website, plus an all-in spread of 65 basis points (0.65 percentage points). Effective December 1, 2019, and pursuant to Order No. 2019-880, DESC is accruing carrying costs on the unrecovered balances using the Company's weighted average cost of debt.

13. Accordingly, DESC respectfully requests authorization to update the DSM Rider to allow the Company the opportunity to recover \$24,021,909 in DSM costs during the twelve-month period effective for bills rendered on and after the first billing cycle of May 2020 and ending with the last billing cycle of April 2021 ("Recovery Period").

### Net Lost Revenues

14. Exhibit 4 shows the calculation of the appropriate amount of net lost revenues to be recovered during the Recovery Period; that amount is \$15,326,879.

15. In accordance with Order No. 2010-472, as modified by Order No. 2013-826 and Order No. 2019-880, the Company has trued-up its net lost revenues for

Program Year 8 pursuant to the Program Year 8 EM&V Report, and the results of the true-up for this time period are included in the net lost revenues calculation.

16. The amount of net lost revenues reported herein reflects (i) the actual energy savings for each DSM program during Program Year 8, and the reduction in demand and MWH sales that were calculated to occur as a result; and (ii) the cumulative forecasted energy savings for each DSM program during the time period December 1, 2018, through November 30, 2020, and the reduction in demand and MWH sales that are calculated to occur as a result.

17. In summary, DESC's net lost revenue amounts include the following:

- a. The trued-up amounts for Program Year 8, as required by Commission Order No. 2010-472, as affirmed and modified by Order No. 2013-826;
- b. The forecasted amounts for Program Year 9, which will be trued-up in the Company's January 2021 annual DSM filing; and
- c. The forecasted amounts for Program Year 10, which will be trued-up in the Company's January 2022 annual DSM filing.

18. Pursuant to Order No. 2013-826, and as affirmed by Order No. 2019-880, net lost revenues are limited to a rolling three (3) years.

19. Accordingly, DESC respectfully requests authorization to update the DSM Rider to allow the Company the opportunity to recover net lost revenues in the amount of \$15,326,879 during the Recovery Period.

### **Net Program Benefits**

20. Exhibit 5 shows the actual net program benefits for December 1, 2015 to November 30, 2016 ("Program Year 6"); December 1, 2016, to November 30, 2017 ("Program Year 7"); and Program Year 8. The exhibit also shows the forecasted net program benefits for Program Year 9 and Program Year 10.

### **Shared Savings Incentive**

21. As shown on Exhibit 6, the allowable shared savings amortization amount for the Company is \$1,297,412. DESC's shared saving incentive amount includes the following:

- a. The actual shared savings incentive amortization amount for Program Years 6 through 8, which have been trued-up in accordance with Commission Order No. 2010-472, as affirmed by Order No. 2013-826;
- b. The forecasted shared savings incentive amortization amount for Program Year 9, which was forecasted in accordance with Commission Order No. 2010-472, as affirmed by Order No. 2013-826, and will be trued-up in the Company's January 2021 annual DSM filing; and
- c. The forecasted shared savings incentive amortization amount for Program Year 10, which was forecasted in accordance with Commission Order No. 2019-880, and will be trued-up in the Company's January 2022 annual DSM filing.

22. Through Program Year 9, the shared savings incentive is equal to 6% of the customers' net benefits. In accordance with Order No. 2019-880, the shared savings incentive in Program Year 10 and thereafter is equal to 9.9% of the customers' net benefits as determined by the Total Resource Cost test.



23. Pursuant to Order No. 2010-472, as affirmed by Order No. 2013-826 and modified by Order No. 2019-880, the shared savings incentive is to be amortized over five years without interest or carrying costs added to the calculation of the DSM Rider. Accordingly, DESC respectfully requests authorization to update the DSM Rider to allow the Company the opportunity to recover its allowable shared savings amortization amount of \$1,297,412 during the Recovery Period.

**DSM Rate Calculation and DSM Rider**

24. Exhibit 7 shows that the total amount to be recovered during the Recovery Period under the DSM Rider, if approved, is \$40,646,200. It also reflects the calculation of the billing factors for each customer class based on the appropriate billing units for that customer class. Based on those calculations, the appropriate billing factors applicable to DESC's retail electric customers effective for bills rendered on and after the first billing cycle of May 2020, if approved, would be as follows:

<b>Customer Class</b>	<b>Proposed \$/kWh</b>	<b>Current \$/kWh</b>	<b>Difference \$/kWh</b>
Residential	\$0.00220	\$0.00184	\$0.00036
Small General Service	\$0.00402	\$0.00274	\$0.00128
Medium General Service	\$0.00261	\$0.00176	\$0.00085
Large General Service	\$0.00116	\$0.00093	\$0.00023

25. Based upon the foregoing and if approved, the DSM Rider for a residential customer will increase from \$0.00184 to \$0.00220 per kilowatt-hour. As a result, the Company estimates that the DSM Rider will cause the bill of an average

residential customer using 1,000 kilowatt-hours per month to increase approximately \$0.35.<sup>1</sup>

26. Exhibit 8 is the proposed updated DSM Rider to be implemented during the Recovery Period.

27. All calculations contained in the attached exhibits are in accordance with the formulas, methodologies, and rate designs approved by the Commission in Order No. 2010-472, as affirmed and modified by Order No. 2013-826 and Order No. 2019-880.

#### **Update on Opt-Out for Large Commercial and Industrial Accounts**

28. At the close of Program Year 9, 438 large commercial and industrial accounts had opted-out of DESC's DSM programs. Retail electric sales associated with these accounts represent approximately 23% of DESC's retail electric load.

29. Pursuant to Order No. 2019-880, the "no opt-out" period, i.e., the period during which a customer must remain in the program after accepting DSM benefits, was reduced from five years to three years.

#### **Tracking Found Revenues**

30. In Order No. 2019-880, the Commission did not require the Company to include the found revenue adjustment in the DSM Rider approved for the five-year program period (Program Years 10-14). Instead, the Commission ordered the Company "to track found revenue for the purpose of offsetting lost revenue and

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<sup>1</sup> The actual change in the DSM factor equates to a \$0.36 per month increase in the 1,000 kWh residential electric bill, but the application of the Tax Rider approved in Commission Order No. 2018-804 reduces the impact to a \$0.35 increase.

include a final report on those findings at the conclusion of the next five-year review process with preliminary results to be included in each year's annual oversight review." The Commission further ordered that the next Potential Study should "evaluate the concept of found revenue based on the data that has accumulated with analysis on whether reducing lost revenue by found revenue (while controlling for found revenue program costs) necessarily results in a utility recovering less than its net income absent its investment in DSM, and whether those results are consistent with the requirements of § 58-37-20."

31. The first preliminary results from the Company's tracking of found revenue will be included in DESC's annual report to be made in January 2021.

#### **Request for Relief**

Based upon the foregoing, DESC respectfully requests that the Commission (i) approve the proposed update to the Company's DSM Rider as described herein and in the attached exhibits to be effective for bills rendered on and after the first billing cycle of May 2020 and (ii) grant such further, different or other relief as may be warranted, just, reasonable and lawful.

Respectfully submitted,



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Matthew W. Gissendanner, Esquire  
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Attorneys for Dominion Energy South  
Carolina, Inc.

January 31, 2020

Cayce, South Carolina

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA  
DOCKET NO. 2020-\_\_\_-E

IN RE:

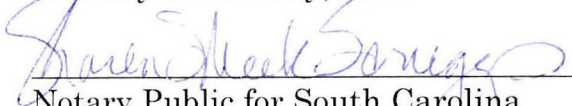
Dominion Energy South Carolina, Inc. )  
Annual Update on Demand Side )  
Management Programs and Petition to )  
Update Rider. \*This filing includes a )  
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\_\_\_\_\_ )

**VERIFICATION**

PERSONALLY APPEARED before me, John H. Raftery, Director of Rates and Regulatory Affairs for Dominion Energy South Carolina, Inc., who, being first duly sworn, deposes and says that he has read the foregoing Annual Update on Demand Side Management Programs and Petition to Update Rider and that the matters alleged therein are true within his own knowledge; and that he is fully authorized and has capacity to sign the aforesaid pleading and to verify the contents thereof.

  
\_\_\_\_\_  
John H. Raftery

Sworn to before me this  
31st day of January, 2020

  
\_\_\_\_\_  
Notary Public for South Carolina  
My Commission Expires: \_\_\_\_\_



# **Demand Side Management Program Updates** **November 30, 2019**

	<b>Residential</b>	
	<b>Home Energy Reports</b>	<b>Home Energy Check-up</b>
<b>General Overview</b>	Free monthly/bi-monthly reports comparing customer's energy usage to peer group and providing information to help identify, analyze, and act upon potential energy efficiency measures and behaviors.	Free in-home visual energy assessment performed by DESC staff with energy efficiency kit consisting of ENERGY STAR® bulbs, kitchen faucet aerator and water heater tank wrap and pipe insulation, as appropriate.
<b>Program Manager</b>	Ginger Greenway	Ginger Greenway
<b>Launch Date</b>	4/6/2011	10/1/2010
<b>Year 8 Program Actuals</b>	42,197 participants 2,705 MWH, 0.96 MW reductions	3,460 participants 1,309 MWH, 0.20 MW reductions
<b>Year 9 Program pre-EM&amp;V Actuals</b>	37,588 participants 2,410 MWH, .90 MW reductions	3,651 participants 2,069 MWH, 0.28 MW reductions
<b>Year 10 Program Forecast</b>	37,647 participants 2,606 MWH, 0.99 MW reductions	3,604 participants 4,947 MWH, 0.85 MW reductions
<b>Implementation Approach</b>	Participants are solicited via direct-mail and e-mail campaigns under an opt-in approach. Direct Options is the 3rd-party provider for this program. Customer service support provided by DESC Contact Center.	Visual in-home energy assessments provided by DESC staff who are Building Performance Institute (BPI) certified Building Analysts. Services are offered to single family structures, multi-family units and manufactured housing, regardless of homeownership. Customer service support provided by DESC Contact Center.
<b>Year 9 Program Activity</b>	<p>Following PY6 EM&amp;V results, the average annual energy savings per customer was reduced by 49%. To address the loss of energy savings in the HER program, marketing activities were increased across all other residential programs in PY9.</p> <p>In PY9, HER program participants who are no longer actively engaged and not realizing energy savings have been removed from the program and referred to other programs for which they might be better suited. No new participants will be added to the HER program until it transitions to opt-out under the new DSM portfolio.</p>	<p>In PY9, staff began installation of kitchen faucet aerators to applicable homes. Worked closely with Customer Assistance to reach more low to moderate income and elderly customers.</p> <p>Continued various outreach and educational activities to promote the Home Energy Check-up Program as well as the other DSM residential programs. Continued to promote Home Energy Check-up as a first step to customers interested in rooftop solar.</p>
<b>Next Steps / Program Modifications</b>	Per the results of the DSM Potential Study, the HER program will begin the necessary activities to phase down existing participants in the current HER opt-in model and then phase in an opt-out program model. It is expected that by PY13, the HER program will have completed the full transition to opt-out.	<p>In PY10, DESC staff will continue the direct installation of kitchen faucet aerators, where applicable, and begin direct installation of other appropriate measures instead of leaving behind measures for customer to install.</p> <p>Continue to work closely with internal customer assistance department to reach low to moderate income customer segments.</p> <p>Going forward, the services performed by DESC staff will be referred to as Tier 1. Per the results of the DSM Potential Study, DESC will begin developing an implementation timeline for a Tier 2 component. Tier 2 will include customer incentives for the installation of energy efficiency measures which aim to increase efficient operation of the house.</p>

# **Demand Side Management Program Updates** **November 30, 2019**

	<b>Residential</b>	
	<b>Neighborhood Energy Efficiency Program (NEEP)</b>	<b>Appliance Recycling</b>
<b>General Overview</b>	Provides income-qualified customers energy efficiency education, an in-home energy assessment and direct installation of low-cost energy saving measures while delivered in a neighborhood door-to-door sweep approach.	Incentives for allowing Dominion Energy to collect and recycle less-efficient, but operable, secondary refrigerators, and/or standalone freezers, permanently removing the units from service. Units recycled in compliance with EPA's Responsible Appliance Disposal (RAD) specifications using the best environmental practices available beyond what is required by federal law.
<b>Program Manager</b>	Gerald Freeman	Gerald Freeman
<b>Launch Date</b>	7/30/2013	10/30/2014
<b>Year 8 Program Actuals</b>	3,586 participants 4,090 MWH, 0.41 MW reductions	3,267 measures 2,171 MWH, 0.26 MW reductions
<b>Year 9 Program pre-EM&amp;V Actuals</b>	3,607 participants 3,799 MWH, 0.40 MW reductions	3,283 measures 3,321 MWH, 0.38 MW reductions
<b>Year 10 Program Forecast</b>	4,243 participants 4,975 MWH, 0.56 MW reductions	4,383 measures 2,909 MWH, 0.35 MW reductions
<b>Implementation Approach</b>	Delivered to targeted neighborhoods where approximately 50% of households have income levels equal to or less than 150% of the poverty guideline as defined by the U.S. Department of Health and Human Services. Honeywell implements the program utilizing a neighborhood sweep approach delivering energy efficiency education, an on-site energy survey and the direct installation of energy saving measures. Homeowners and renters are eligible along with all housing stocks (single family, multifamily and mobile/manufactured homes). Marketing is provided in-house by Dominion Energy. Customer service support is provided by the Honeywell Call Center.	ARCA handles inbound customer calls for scheduling, web scheduling, general questions, and appliance pick-up. MOU executed with Recleim Environmental Services in December 2018 for transportation, full decommissioning and recycling services. DESC handles processing of rebate checks and marketing functions.
<b>Year 9 Program Activity</b>	Neighborhoods in Walterboro, Holly Hill and Columbia participated in the program along with multifamily properties in Charleston, Beaufort and Ridgeland. Participation consisted of 40% multifamily, 39% single family and 21% mobile/manufactured homes in PY9. The mobile/manufactured homes component continued to be a success with installation of mobile-home specific weatherization measures in 120 homes. The penetration rate for PY9 was at 78%. The program continued to coordinate with community action agencies, local community groups and our internal customer assistance department to increase participation and assist with services beyond NEEP.	Program has continued to be a RAD partner with the EPA with PY9 being its first full year.  Implemented a strategic marketing plan including, two new prize pack promotions in PY9: 1) Smart Thermostat prize pack featuring a Nest Wi-Fi enabled smart thermostat, a four-bulb smart lighting kit, an Advanced Power Strip and 5 LEDs. During promotion, participation increased by over 18% over the previous 2 months. 2) Smart Tech prize pack featuring a Nest Learning Tstat, an Amazon Echo Show smart speaker and 5 LEDs. Promotion helped exceed year-end participation target by 3%.
<b>Next Steps / Program Modifications</b>	Continue to assist residents of limited income neighborhoods to become more energy efficient by bringing NEEP to cities/towns throughout Dominion Energy's electric service territory. Continue to expand the mobile/manufactured homes component and add multifamily units to each neighborhood. Per the results of the DSM Potential Study, NEEP will increase customer participation by increasing the number of neighborhoods, increasing penetration into selected neighborhoods and selecting larger neighborhoods to achieve participation forecast.	Per the results of the DSM Potential Study, ARP expand participation in PY10.  Continue to review marketing analysis data and use a variety of channels to reach customers. Also continue to implement seasonal program promotions to increase participation.

**Demand Side Management Program Updates  
November 30, 2019**

	<b>Residential</b>	
	<b>Heating &amp; Cooling</b>	<b>ENERGY STAR® Lighting</b>
<b>General Overview</b>	Incentives to residential electric customers for the purchase of new ENERGY STAR® qualified HVAC equipment that replaces older inefficient equipment. Additionally, incentives to encourage customers to improve the efficiency of existing AC and heat pump systems through complete duct replacements, duct insulation and duct sealing.	Incentivizes residential customers to purchase and install high-efficiency ENERGY STAR® LED lighting products, advanced power strips and water conservation measures.
<b>Program Manager</b>	Josh McMillin	Josh McMillin
<b>Launch Date</b>	3/1/2011	2/14/2011
<b>Year 8 Program Actuals</b>	5,130 measures 2,892 MWH, 1.96 MW reductions	173,324 lighting products via online store & business offices 4,287 MWH, 0.39 MW reductions
<b>Year 9 Program pre-EM&amp;V Actuals</b>	5,458 measures 4,633 MWH, 3.35 MW reductions	212,013 lighting products via online store & business offices 8,423 MWH, 0.72 MW reductions
<b>Year 10 Program Forecast</b>	5,569 measures 5,034 MWH, 3.18 MW reductions	112,540 lighting products via online store & business offices 5,439 MWH, 0.49 MW reductions
<b>Implementation Approach</b>	Services delivered via a network of independent contractors. Contractors may receive specialized training from DESC and ICF. ICF technical training includes Manual J, Manual D, energy code (IECC), proper duct sealing and duct blaster testing. Customer service support and marketing functions handled by DESC.	<p><u>EnergyWise Savings Store (Online)</u></p> <p>DESC residential electric customers purchase select ENERGY STAR® LED lighting products, advanced power strips and water conservation products at deep discounts through an online only store. Online store provides customer education regarding lighting and energy savings. Partnered with Energy Federation Inc. (EFI), a non-profit implementer of online lighting stores. Customer service support provided by EFI.</p> <p align="center"><u>Business Offices</u></p> <p>Residential electric customers receive free 5-pack LED kits at various business office locations throughout program year to reach low to moderate income customers who may not use online store.</p>
<b>Year 9 Program Activity</b>	<p align="center"><u>HVAC</u></p> <p>Continued to utilize strategic trade ally outreach with HVAC distributors, contractor counter days and local trade association meetings. The increased rebate amounts from PY8 helped the program meet its participation target. Quarterly newsletter to HVAC and duct work contractors sent via email which included training opportunities, program updates and rebate assistance.</p> <p align="center"><u>Duct Work Measures</u></p> <p>Continued to provide contractors with duct blaster demonstrations and one-on-one duct blaster training. Duct work-specific bill inserts mailed to all electric and combo residential customers.</p>	<p align="center"><u>EnergyWise Savings Store (Online)</u></p> <p>Sent direct mail postcards to customers to promote our energy saver kits. Additionally, gave away nearly 100,000 bulbs through a promotion via direct mail and social media to customers who had previously not participated in the program. Several additional smaller promotions were offered throughout the year and included adding water saving measures to the site.</p> <p align="center"><u>Business Offices</u></p> <p>Distributed 4,025 kits in business offices located in Warrenville, Beaufort, Columbia and numerous community events reaching low to moderate income customers. Education included the benefits of LED and cross-promotion of the online store to customers who are less likely to purchase online.</p>
<b>Next Steps / Program Modifications</b>	<p>Per the results of the DSM Potential Study, the program will be adding heat pump water heaters, increasing heating and cooling equipment and duct work improvement rebate amounts to encourage PY10 participation. An additional new offering will include a rebate for replacing electric resistant heat with a heat pump.</p> <p>Continue to promote the program and provide educational training to improve overall contractor knowledge, engage industry associations to enhance outreach and continue to increase program awareness to customers. Investigate options for direct mail offering to targeted neighborhoods with older homes.</p>	<p align="center"><u>EnergyWise Savings Store (Online)</u></p> <p>In PY10, program will expand promotion of Smart Thermostats which were introduced at the end of PY9. Continue to utilize multiple marketing channels to promote the site and product offerings to customers, including direct mail.</p> <p align="center"><u>Business Offices</u></p> <p>Continue to expand kit offerings to additional community groups targeting low-to-moderate income customers and seniors and offer free bulbs and one-on-one education at Business Office locations on a rotating basis.</p>



## Demand Side Management Program Updates November 30, 2019

	<b>Commercial and Industrial</b>	
	<b>EnergyWise For Your Business Program</b>	<b>Small Business Energy Solutions Program</b>
<b>General Overview</b>	Incentives to non-residential customers to become more energy efficient. Incentives include retrofit lighting, new construction lighting, HVAC unitary, HVAC chillers, HVAC variable frequency drives, food service and refrigeration equipment, custom, building tune-up and technical services.	Provides cost-effective, comprehensive retrofit services (lighting and refrigeration) to small business customers on a turnkey basis. The program identifies cost-effective efficiency retrofit opportunities and provides the direct installation of measures, financial incentives and other strategies to encourage early replacement of existing equipment with high efficiency alternatives.
<b>Program Manager</b>	Annika Goodson	Annika Goodson
<b>Launch Date</b>	10/1/2010	11/24/2014
<b>Year 8 Program Actuals</b>	767 participants, 33,524 MWH, 6.10 MW reductions	461 participants, 4,865 MWH, 1.45 MW reductions
<b>Year 9 Program pre-EM&amp;V Actuals</b>	606 participants, 39,691 MWH, 7.51 MW reductions	781 participants, 7,540 MWH, 1.83 MW reductions
<b>Year 10 Program Forecast</b>	891 participants, 37,076 MWH, 8.75 MW reductions	678 participants, 8,718 MWH, 2.48 MW reductions
<b>Implementation Approach</b>	Third-party implementer, ICF, provides technical assistance to customers, trade allies and field services support. Customer Service support provided by DESC DSM Staff.	Third-party implementer, ICF, provides technical assistance to customers and trade allies and field services support. ICF and subcontractors Facility Solutions Group (FSG) and National Resource Management (NRM) coordinate direct install services with local contractors. Customer Service support provided by DESC DSM Staff.
<b>Year 9 Program Activity</b>	PY9 outreach activities included program training for trade allies and DESC Account Managers, continued targeted outreach to business associations/organizations, and collaboration between DESC and ICF Account Managers.	Added ICF auditors and local lighting installers to the lighting program to increase customer participation in small towns and underserved communities. PY9 outreach activities continued through outreach to business associations/organizations, direct mail and door-to-door solicitations.
<b>Next Steps / Program Modifications</b>	Continue contractor/trade ally outreach and training to promote participation and education within the trade ally community.  Per the DSM Potential Study, the EWFYB program will increase customer participation in PY10 and determine an implementation timeline for offering two new components: Agricultural and Strategic Energy Management (SEM)	Continue various marketing and outreach strategies to promote the Small Business Energy Solutions Program including increased targeted outreach to small towns and underserved communities.  Per the results of the DSM Potential Study, DESC will increase the incentive levels to reduce the barrier to entry for small business customers.

## PY8 Portfolio Net Savings, Program Costs and Participation

Program Name	Net Savings				Program Costs		Participation/Measures		
	MWH Actual	% of Forecast	MW Actual	% of Forecast	Actual	% of Forecast	Actual	% of Forecast	Definition
EnergyWise for Your Business	33,524	100%	6.10	98%	\$5,392,285	116%	767	114%	Projects
ENERGY STAR® Lighting	4,287	53%	0.39	48%	\$581,763	43%	173,324	125%	Bulbs/fixtures
Small Business Energy Solutions	4,865	88%	1.45	77%	\$1,965,219	74%	461	70%	Projects
Heating & Cooling	2,892	182%	1.96	175%	\$2,223,281	151%	5,130	100%	Measures
Neighborhood Energy Efficiency Program	4,090	167%	0.41	103%	\$1,391,090	140%	3,586	163%	Customers
Appliance Recycling	2,171	90%	0.26	87%	\$689,664	112%	3,267	106%	Customers
Home Energy Reports (HER)	2,705	17%	0.96	16%	\$537,725	71%	42,197	100%	Customers/Households
Home Energy Check-Up	1,309	57%	0.20	43%	\$804,886	97%	3,460	103%	Customers
<b>Total</b>	<b>55,843</b>	<b>78%</b>	<b>11.73</b>	<b>68%</b>	<b>\$13,585,913</b>	<b>102%</b>	<b>232,192</b>	<b>118%</b>	

**Dominion Energy South Carolina**  
**Amortization of Program Costs for DSM Rate Calculation**

Balance of <u>Direct</u> Program Costs @ 11/30/2019	\$ 62,688,170
Balance of <u>Indirect</u> Program Costs @ 11/30/2019	\$ 9,377,555
Total Balance of Program Costs @ 11/30/2019	\$ 72,065,725

Customer Class	Balance of Direct Costs @ 11/30/2019	Direct Cost Allocation Ratios	Balance of Indirect Costs @ 11/30/2019	Class Allocation of Program Costs Balance	One Year Amortization for Rate Calculation
Residential	\$ 30,599,284	48.81%	\$ 4,577,185	\$ 35,176,469	\$ 11,725,490
Small General Service	\$ 16,297,945	26.00%	\$ 2,438,164	\$ 18,736,109	\$ 6,245,370
Medium General Service	\$ 7,958,044	12.69%	\$ 1,190,012	\$ 9,148,056	\$ 3,049,352
Large General Service	<u>\$ 7,832,897</u>	<u>12.50%</u>	<u>\$ 1,172,194</u>	<u>\$ 9,005,091</u>	<u>\$ 3,001,697</u>
TOTAL	\$ 62,688,170	100.00%	\$ 9,377,555	\$ 72,065,725	\$ 24,021,909

**Dominion Energy South Carolina**  
**Projection and True-Up of Net Lost Revenues for DSM Rate Calculation**  
**From December 2017 - November 2020**

Customer Class	Cumulative Energy Savings (in KWH) <sup>1</sup>	Net Lost Revenue Factors (\$ per KWH)	Estimated Net Lost Revenues for Recovery in Next Rate Period	Program Year Eight True-Up Amount as Detailed Below <sup>2</sup>	Net Lost Revenues for Rate Calculation
Residential	78,634,000	\$0.09488	\$ 7,460,794	\$ (1,804,464)	\$ 5,656,330
Small General Service	76,689,665	\$0.08633	\$ 6,620,619	\$ 840,894	\$ 7,461,513
Medium General Service	29,145,537	\$0.06257	\$ 1,823,636	\$ (108,889)	\$ 1,714,747
Large General Service	20,474,798	\$0.03722	\$ 762,072	\$ (267,783)	\$ 494,289
			\$ 16,667,121	\$ (1,340,242)	\$ 15,326,879

**Notes:**

<sup>1</sup> Cumulative Energy Savings are actual for Program Year Eight (December 2017 - November 2018) per EM&V results, and projected for Program Years Nine & Ten (through November 30, 2020).

<sup>2</sup> Detailed calculation of the True-Up for Program Year Eight:

Customer Class	Actual Energy Savings (in KWH) from EM&V Study	Net Lost Revenue Factors (\$ per KWH)	Net Lost Revenue Incurred	Net Lost Revenue Collected from Customers	Calculated True-Up
Residential	17,454,000	\$0.11912	\$ 2,079,120	\$ 3,883,584	\$ (1,804,464)
Small General Service	25,010,433	\$0.10806	\$ 2,702,627	\$ 1,861,733	\$ 840,894
Medium General Service	8,111,596	\$0.07897	\$ 640,573	\$ 749,462	\$ (108,889)
Large General Service	5,266,971	\$0.04935	\$ 259,925	\$ 527,708	\$ (267,783)

PY6 - PY9 Net Benefits					
Residential	Actuals PY6	Actuals PY7	Actuals PY8	PY9 Forecasted	PY10 Forecasted
Home Energy Reports	\$ 833,149	\$ 689,746	\$ (9,488)	\$ 3,211,043	\$ 35,433
Energy Information Displays	\$ -	\$ -	\$ -	\$ -	\$ -
Home Energy Check-Up	\$ 65,662	\$ 57,431	\$ (290,857)	\$ 788,399	\$ (21,278)
Home Performance w ENERGY STAR	\$ -	\$ -	\$ -	\$ -	\$ -
ENERGY STAR Lighting	\$ 3,701,689	\$ 1,346,325	\$ 1,621,385	\$ 4,156,666	\$ 6,768,663
Heating & Cooling Program	\$ 3,386,255	\$ 2,225,230	\$ 2,344,197	\$ 994,222	\$ 1,165,021
ENERGY STAR New Homes	\$ (14,342)	\$ -	\$ -	\$ -	\$ -
Neighborhood Energy Efficiency Program	\$ (141,138)	\$ 199,499	\$ 88,295	\$ 504,186	\$ 3,102,794
Appliance Recycling	\$ 453	\$ 121,680	\$ 208,347	\$ 577,203	\$ 43,860
Multifamily	\$ -	\$ -	\$ -	\$ -	\$ 558,821
	<b>\$ 7,831,728</b>	<b>\$ 4,639,911</b>	<b>\$ 3,961,879</b>	<b>\$ 10,231,719</b>	<b>\$ 11,653,314</b>

Commercial and Industrial	Actuals PY6	Actuals PY7	Actuals PY8	PY9 Forecasted	PY10 Forecasted
EnergyWise for Your Business	12,669,340	13,284,201	17,533,372	14,107,627	11,383,140
Small Business Direct Install	1,700,676	3,041,375	2,196,868	2,209,037	1,259,239
Municipal LED Lighting	-	-	-	-	3,831,349
	<b>\$ 14,370,016</b>	<b>\$ 16,325,576</b>	<b>\$ 19,730,240</b>	<b>\$ 16,316,664</b>	<b>\$ 16,473,728</b>

<b>All DSM Programs</b>	<b>\$ 22,201,744</b>	<b>\$ 20,965,487</b>	<b>\$ 23,692,119</b>	<b>\$ 26,548,383</b>	<b>\$ 28,127,042</b>
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**Dominion Energy South Carolina**  
**Projection and True-Up of Shared Savings Incentive**  
**for DSM Rate Calculation**  
**Through November 2020**

Customer Class	Cumulative Shared Savings Amortization for Program Years Six Through Ten	Shared Savings Amortization True-Up Amount from Eighth Program Year <sup>1</sup>		Shared Savings Amortization for Rate Calculation
Residential	\$ 550,720	\$	(167,278)	\$ 383,442
Small General Service	\$ 686,743	\$	9,493	\$ 696,236
Medium General Service	\$ 263,144	\$	(91,096)	\$ 172,048
Large General Service	\$ 177,202	\$	(131,516)	\$ 45,686
<b>Totals:</b>	<b>\$ 1,677,809</b>	<b>\$</b>	<b>(380,397)</b>	<b>\$ 1,297,412</b>

**Notes:**

<sup>1</sup> Detailed Calculation of Program Year Eight (December 2017 - November 2018) True-Up:

Customer Class	Actual Shared Savings Amortization (per EM&V Study)	Shared Savings Amortization Collected From Customers - Program Year Eight	Calculated True-Up Applicable to Program Year Eight
Residential	\$ 595,900	\$ 763,178	\$ (167,278)
Small General Service	\$ 472,298	\$ 462,805	\$ 9,493
Medium General Service	\$ 198,741	\$ 289,837	\$ (91,096)
Large General Service	\$ 201,286	\$ 332,802	\$ (131,516)

**Dominion Energy South Carolina**  
**DSM Rate Calculation**  
**(For the Recovery Period of May 2020 - April 2021)**

Exhibit No.	Description	Total	Customer Class			
			Residential	Small General Service	Medium General Service	Large General Service
3	Amortization of Program Costs	\$ 24,021,909	\$ 11,725,490	\$ 6,245,370	\$ 3,049,352	\$ 3,001,697
4	Estimated Net Lost Revenues	\$ 15,326,879	\$ 5,656,330	\$ 7,461,513	\$ 1,714,747	\$ 494,289
6	Shared Savings Incentive	\$ 1,297,412	\$ 383,442	\$ 696,236	\$ 172,048	\$ 45,686
	Total DSM Costs for Recovery	\$ 40,646,200	\$ 17,765,262	\$ 14,403,119	\$ 4,936,147	\$ 3,541,672
	Projected Class Sales (in GWH) during the Recovery Period <sup>1</sup>		8,075.1	3,582.3	1,891.9	3,044.8
	Rate per KWH		\$ 0.00220	\$ 0.00402	\$ 0.00261	\$ 0.00116

**Notes:**

<sup>1</sup> Projected Class Sales are for the Recovery Period of May 2020 - April 2021 and are adjusted to account for those customers who have opted-out of DESC's DSM programs.

## DOMINION ENERGY SOUTH CAROLINA, INC.

## ELECTRICITY

## RIDER TO RETAIL RATES

## DEMAND SIDE MANAGEMENT COMPONENT

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## APPLICABILITY

Service supplied under the Company's retail electric rate schedules is subject to approved Demand Side Management (DSM) program cost adjustments. The rates shown below are applicable to and a part of the Company's South Carolina retail electric rate schedules and included in the monthly rate provision of the applicable schedule used in billing and shall therefore be added to customer's monthly bill statement:

## DSM RATES BY CLASS (\$/kWh)

Customer Class	DSM Factors
Residential	0.00220
Small General Service	0.00402
Medium General Service	0.00261
Large General Service	0.00116

## DERIVATION OF FACTORS

Demand Side Management costs to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour will be determined by the following formula:

$$A = D / S$$

A = Customer Class Specific DSM Program Costs Rate Adjustment per kilowatt-hour applied to base rates rounded to the nearest one-thousandth of a cent.

D = DSM revenue requirement for the period calculated as ( C + L + R )

Where:

C = One year of Amortization Expense (based upon the balance of DSM Program Costs at the beginning of the annual review period) plus associated Carrying Costs (calculated using the Company's Weighted Average Cost of Debt)

L = Net Lost Revenues for each customer class are based on forecasted retail kWh sales reductions attributable to DSM programs. Revenues lost are calculated using the average rate per customer class less the class specific fuel component and variable O&M. The resulting factor is then multiplied by the kWh sales lost for each class of customers. This amount will be "trued-up" for the actual impact on prior year sales. The total amount of net lost revenues is limited to a rolling three (3) year period.

R = One year of amortization of DSM Program Incentive to be calculated by multiplying the estimated Net Present Value Benefit of each energy efficiency program as determined by the Total Resource Cost Test times 9.9%.

S = Projected customer class specific sales, defined as retail kilowatt-hour sales from each class of customers for the current period, less sales from customers who have been approved for opt-out status.

The appropriate revenue-related tax factor is to be included in these calculations.

## "OPT-OUT" PROVISION

1. Industrial customers as defined in Rate 23 are eligible to opt-out of DSM programs and costs.
2. Non-residential accounts that have both (i) annual consumption of 1,000,000 kilowatt-hours or greater in the billing months of the prior calendar year and (ii) 52-59 as the first two digits of their Standard Industrial Classification or 44-45 as the first two digits of their six digit North American Industry Classification System are also eligible to opt-out of the DSM programs and costs.



## DOMINION ENERGY SOUTH CAROLINA, INC.

## ELECTRICITY

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## DEMAND SIDE MANAGEMENT COMPONENT

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3. If a customer elects to opt out an eligible non-residential account, all other non-residential accounts which are billed to the same customer and located on the same or contiguous properties are also eligible for the opt-out. A customer may not aggregate accounts at separate locations to achieve the eligibility threshold of 1,000,000 kilowatt-hours.
4. Customers wishing to opt-out of DSM programs and recovery of DSM costs shall file a writing with the Company on a form provided by the Company representing that they have already implemented or will be implementing alternative DSM programs. Certifications shall be valid until withdrawn. If a Customer should choose to participate in one or more DSM programs for any account prior to or after the issuance of Commission Order No. 2013-826, then such Customer will not be permitted to opt-out of DSM programs and recovery of DSM costs for that account(s) for a period of three (3) years from the date the Customer accepts a DSM rebate from the Company.
5. Customers who opt-out but later elect to participate in one of the Company's programs may do so upon application to the Company. If acceptable to the Company, the Customer may participate in the Company's programs for any account(s), but may not apply to opt-out for that account(s) again for a period of three (3) years from the date the Customer accepts a DSM rebate from the Company.

Since DSM charges are included and a part of retail rates, customers qualifying for the opt-out provision shall receive the following DSM Credit on their monthly bill statement:

$$\text{DSM Credit} = \text{Billed kWh times the applicable DSM Rate}^*$$

\* The DSM Rate shall be as shown in the above table for the schedule applicable to Customer's monthly bill.

## DEFINITIONS

1. Annual Review Period - The period of time between December 1 and November 30.
2. Amortization Period - The period of time which the Company's DSM measures, program costs and incentive are deferred and amortized.
3. Customer Class - The Company's classification of customers based on similar energy usage characteristics. These are defined as follows:

**Residential:**

Rate 1 – Good Cents Rate, Rate 2 – Low Use Residential Service, Rate 5 - Residential Service Time-of-Use, Rate 6 – Energy Saver / Conservation Rate, Rate 7 – Residential Service Time-Of-Use Demand, Rate 8 – Residential Service

**Small General Service:**

Rate 3 – Municipal Power Service, Rate 9 – General Service, Rate 10 – Small Construction Service, Rate 11 – Irrigation Service, Rate 12 – Church Service, Rate 13 – Municipal Lighting Service, Rate 14 – Farm Service, Rate 16 – General Service Time-Of-Use, Rate 22 – School Service, Rate 28 (Experimental) – Small General Service Time-Of-Use Demand

**Medium General Service:**

Rate 15 - Supplementary and Standby Service, Rate 20 – Medium General Service, Rate 21 – General Service Time-Of-Use Demand, Rate 21A – Experimental Program - General Service Time-Of-Use Demand

**Large General Service:**

Rate 23 – Industrial Power Service, Rate 24 – Large General Service Time-Of-Use, Rate 27 - Large Power Service Real Time Pricing (Experimental)

## SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

## PAYMENT TERMS

All bills are net and payable when rendered.

## TERM OF CONTRACT

The contract terms will be the same as those incorporated in the rate tariff under which customer receives electric service.

## GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and form a part of this rider.